

# **4 FAH-2 H-300 PROCESSING DEPOSITS AND DEBIT VOUCHERS**

## **4 FAH-2 H-310 PROCESSING DEPOSITS AND DEBIT VOUCHERS**

*(TL:DOH-1; 06-13-2001)*

### **4 FAH-2 H-311 INTRODUCTION**

*(TL:DOH-1; 06-13-2001)*

This subchapter prescribes the procedures for processing deposits to the account of the U.S. Treasury and other related matters.

### **4 FAH-2 H-312 DEPOSITS OF U.S. DOLLAR CHECKS**

#### **4 FAH-2 H-312.1 Review Of Checks Received At The Financial Service Center (FSC)**

*(TL:DOH-1; 06-13-2001)*

a. Checks are received from the post cashiers with a transmittal form and an adding machine tape to assist in verification of the deposit. The checks must be properly controlled from the time of receipt at the FSC to the time of deposit at the bank. The U.S. disbursing officer (USDO) ensures that when checks are delivered to the FSC, they are recorded in a log and signed by the person receiving the checks.

b. All checks are examined to insure that the check is:

- (1) Not stale dated;
- (2) Written in U.S. dollars;
- (3) Written in English;
- (4) Signed;

(5) Encoded with the American Banker's Association routing and transmittal number (for checks on banks located in the U.S. only); and

- (6) Stamped with the cashier's endorsement.

## **4 FAH-2 H-312.2 Control Of Deposit Tickets**

*(TL:DOH-1; 06-13-2001)*

- a. Deposit tickets must be:

- (1) Distributed by the USDO or their designee. For posts that make their own deposits into an international Treasury general account (ITGA), deposit tickets are distributed to them by the USDO and recorded as having been issued to that post. Although a post may deposit the checks into the bank and complete the deposit ticket, they should not record the deposit ticket into the Overseas Financial Management System (OFMS). The deposit tickets are sent to the FSC for processing into the system.

- (2) Filled out correctly and confirmed copies filed properly. The typing in blocks 2, 3, 4, and 5 and memorandum copy must be typed or printed clearly. The unique six digit preprinted number must not be altered and must be entered only once in OFMS exactly as printed.

- b. After a deposit is entered into OFMS, any future adjustments must be made by another deposit ticket (increasing the amount of the original deposit), debit voucher (decreasing the amount of the original deposit), or journal voucher (change of any other data affecting the deposit).

## **4 FAH-2 H-312.3 Making U.S. Dollar Deposits**

*(TL:DOH-1; 06-13-2001)*

- a. Global U.S. dollar deposits—the FSC consolidates the deposit transmittals received from the cashiers on one deposit ticket and submits a single, consolidated deposit to the FRB or designated depository every day checks are received. The consolidation of the deposits to one deposit ticket will expedite the reconciliation of the Treasury account. The FSC must record what checks are included in each global deposit, by cashier. This will help expedite identifying which part of a deposit does not agree with Treasury records if differences occur later.

- b. Posts that enter their own dollar deposits into an ITGA must forward the confirmed copies of Form SF-215, Deposit Ticket, to the USDO.

## **4 FAH-2 H-312.4 Where to Make U.S. Dollar Check Deposits**

*(TL:DOH-1; 06-13-2001)*

a. U.S. dollar checks drawn on banks located in the United States are deposited with the covering Form SF-215 to a Treasury general account (ITGA if overseas) for transmittal to the Federal Reserve Bank (FRB).

b. U.S. dollar checks drawn on foreign banks and foreign branches of U.S. banks are transmitted with the covering Form SF-215 to Citibank, Foreign Check Clearing, P.O. Box 15962, Wilmington, DE 19850-5962. The minimum U.S. dollar amount of each check that will be accepted for deposit by Citibank is \$15.

## **4 FAH-2 H-313 DEPOSITS OF LOCAL CURRENCY CHECKS**

*(TL:DOH-1; 06-13-2001)*

a. Local currency checks drawn on foreign banks are usually deposited by the cashier with the locally designated depository. The deposit is entered into the system either at the FSC or at post. The post cashier retains the deposit ticket unless the cashier monitor requests that it be sent to the FSC.

b. The local currency deposit is verified at the FSC upon receipt of the bank statement and completion of the monthly bank account reconciliation.

## **4 FAH-2 H-314 MAKING DEPOSITS OF CASH**

*(TL:DOH-1; 06-13-2001)*

a. When the post collections and receipts exceed the amount of cash needed to make advances and disbursements, the post cashier must deposit the excess cash.

b. Excess U.S. dollar cash will be exchanged for a U.S. dollar check and forwarded to the FSC for deposit. Under certain conditions, the USDO may authorize a cashier to sell the U.S. dollar cash for local currency (see procedures in 4 FAH-2 H-513 b).

c. Excess local currency will be deposited with the local designated depository and entered into the accounting system at the post or FSC. The local currency deposit is verified at the FSC upon receipt of the bank statement and completion of the monthly bank account reconciliation. The post cashier retains the deposit ticket unless requested by the FSC cashier monitor.

## **4 FAH-2 H-315 FREQUENCY OF DEPOSITS**

*(TL:DOH-1; 06-13-2001)*

a. The USDO should make dollar check deposits once daily for each agency location code (ALC). To ensure that the maximum amount of funds are deposited each day, the depositor establishes a processing schedule to allow the deposits to reach the depository before the depository's daily "cutoff" time.

b. Normally only one local currency deposit is made each day and entered into the financial system.

c. Where possible, the USDO should arrange with the bank to be notified immediately of any deposits (excluding normal check processing) of currency purchases or other large transactions. Any large local currency cash deposits made by the cashier (more than several days worth of disbursements) should be reported to the USDO immediately. The USDO should also check internal records daily to determine if any large deposits were made. For example, in Paris, data entry should check the deposit tickets they receive to make sure they are not more than one day old. Alternatively, the USDO should call the banks to determine if purchases have been deposited.

## **4 FAH-2 H-316 DEPOSIT TICKETS FOR CREDIT AND DEBIT CARD COLLECTIONS**

*(TL:DOH-1; 06-13-2001)*

a. Some posts collect consular fees by credit and debit card. Point-of-sale terminals have been placed in the consular section to make these collections. At the end of each day the consular cashier will forward to the Class B Cashier a machine-generated hard copy receipt for the fees collected that day. From this receipt the Class B Cashier prepares Form OF-158, General Receipt, and deposit transmittal, which, when entered into the automated cashing system (ACS) respectively increases and decreases the cashier's accountability.

b. Mellon Bank processes Consular receipts collected by credit and debit card and reports these deposits in U.S. dollars to the Treasury for credit to the USDO. The bank enters the cashier code and date of collection on Form SF-215, Deposit Ticket, and forwards a copy to the FSC. The FSC enters the deposit into the system, crediting the cashier (decreasing the cashier's accountability), using the deposit ticket number as the voucher number, and reporting the Julian date of the collection as the transmittal letter (TL) number. The Julian date (1-365) is the date the deposit was recorded by the USDO (usually the next business day after the deposit by Mellon Bank).

c. The cashier reconciles their accountability by matching the cashier collection with the deposit recorded on the cashier activity report based on amount and date. Mellon Bank procedures allow only one deposit per day per post so the Julian date aids the post cashier in matching the correct deposit with the correct day. The USDO reconciles the Treasury Statement of Differences by matching the amount and the deposit ticket number.

d. Credit card chargebacks are transactions which reverse payments. The card issuing bank notifies Mellon Bank of an item (charge) that is being challenged. Mellon Bank notifies the FSC via fax requesting additional information, i.e., signed receipt. This fax notification is immediately sent to the appropriate cashier because there is a short window for the requested information to be sent back to Mellon Bank. If the post cannot provide, or does not have enough information to support the charge, Mellon Bank notifies the card issuing bank. A credit is given to the customer, and a debit voucher (chargeback) is created for the appropriate ALC. The debit vouchers are mailed to the FSC, who in turn enters them into the Overseas Financial Management System (OFMS), creating a debit to the appropriate cashier. The FSC immediately prepares a telegram notifying the post cashier of the chargeback and mails a copy of the telegram and any other information pertaining to the chargeback to post. It is then the responsibility of the cashier to clear the chargeback.

e. Procedures have also been developed for collecting cash for purposes other than consular fees, i.e. telephone and utility bills. This program is described in more detail in 4 FAH-2 H-618. Detailed instruction for all credit card programs are on file at each FSC.

## **4 FAH-2 H-317 DEBIT VOUCHERS AND UNCOLLECTIBLE CHECKS**

*(TL:DOH-1; 06-13-2001)*

a. Debit vouchers received as adjustments to deposits of currency purchases must be entered into the system and charged to 20y6763.

b. Debit vouchers (DV) are also issued to debit disbursing officers' accounts for electronic funds transfers (Fedline EFT). These debit vouchers are used to reconcile Fedline transactions which appear as negative deposits on Form SF-1218, Statement of Accountability (Foreign Service Account). Although the DV numbers are not entered into OFMS (they are received after the transaction has been completed), they are used by Treasury. The amount on the DV is matched with the amount entered by the FSC to reconcile the ACDC 70 Report with Treasury's Statement of Difference.

c. Debit Vouchers Received for Uncollectible Checks.

(1) Uncollectible checks received for accommodation exchange.

(a) When a check received for an accommodation exchange transaction is returned to the FSC by a bank for any reason, the FSC increases the post cashier's accountability by the amount of the returned check and enters the amount into the Overseas Cashiers Reporting System (OSCARS).

(b) The FSC forwards the returned check to the cashier and advises the cashier to document three attempts at collection, in accordance with Service Post User Manual (SPUM), Appendix A procedures.

(c) If the cashier does not receive a satisfactory reply (collection) at the end of 90 days after notification, the cashier will return the original bad check with supporting documentation of all three attempts at collection. The cashier must attach copies of all dated paper or electronic correspondence attempting to get recovery and unsatisfactory replies. If relevant, the cashier should also summarize phone conversations attempting recovery, noting dates and times of calls and a summary of the conversation. This packet must include the social security number and last known address of the employee. The cashier must keep a copy of the returned check and/or DV and record it on the monthly Form DS-3058 verification until the FSC takes action to decrease the cashier accountability with a voucher write-off by the USDO.

(2) Uncollectible checks received for refunds or other non-accommodation exchange collections.

(a) The USDO increases the cashier's accountability and enters the amount in the cashier's database (OSCARS).

(b) The USDO sends a cable to the cashier notifying them of the bad check and mails the debit voucher to the cashier.

(c) The USDO requests that the financial management officer (FMO) determine the original receipt's fiscal data and voucher the amount of the bounced check to that fiscal data to offset the cashier's on-hand debit voucher (decreases cashier's accountability).

(3) The USDO must review all documents sent by the cashier or FMO concerning the collection efforts made to recover the bad check.

(a) If the USDO agrees that all reasonable attempts for collection have been made, the USDO will write off the bad check (received for accommodation exchange) to the Treasury gain and loss account 20y6763. (Note: Before using the 20y6763 for prior years, provide FMP/F/IFS a copy of the proposed journal voucher and reason for using a prior year appropriation.)

(b) Once the USDO receives the package from the cashier and determines it should be written off, the transaction must be processed within 30 days of receiving the package from the cashier (180 days from initial receipt of the debit voucher).

(c) If the cashier accountability was increased and not yet decreased the USDO will decrease the cashier accountability when they write the debt off to the Treasury gain and loss account.

(d) If the USDO agrees that the cashier has made all reasonable attempts to collect the debt but wants to continue collection efforts at the USDO level, they should clear the cashier or post accountability by transferring the loss to their own accountability. If the USDO is still unable to collect the debt after 6 months from the date of the original debit voucher, the USDO must clear their accountability using the Treasury gain and loss account 20y6763.

(4) When the USDO writes off a bad check to 20y6763, they must send the complete package to FMP/F/IFS, attention Disbursing Oversight, within 10 days. Once received, FMP/F/IFS will make distribution as follows:

(a) If the checks issued by one drawer are \$2,500 or less, FMP/F/IFS will forward the checks and supporting documentation to FMP's Accounts Receivable Division (FMP/F/DFS/FO/AR).

(b) If the checks issued by one drawer total more than \$2,500. FMP/F/IFS will forward the checks and supporting documentation to OIG/INV for possible prosecution. If OIG/INV decides not to prosecute, OIG/INV will forward the checks and supporting documentation to FMP/F/IFS who will forward them to FMP/F/DFS/OF/AR.

(c) As the USDO and post cashiers have documented collection efforts, if collection is made, these funds will be credited to the State Department's General Receipt Fund, 19 3220.

(5) The status of all outstanding debit vouchers should be reported each week in the weekly activity report (WAR). Each month a list of all outstanding debit vouchers over 120 days old and not written off by the USDO should be forwarded to FMP/F/IFS. This list should include the debit voucher number, amount, date, and current status (i.e. how many attempts at recovery have been made, responses from drawer, etc.)

## **4 FAH-2 H-318 AND H-319 UNASSIGNED**